OREGON STATE BAR Board of Governors Agenda

Meeting Date: June 21, 2019

From: Amber Hollister, General Counsel
Re: CSF Claim No. 2018-70 Deveny (Davis)

Action Requested

Consider Client Security Fund Committee's recommendation that the board grant claimant Angela Davis's claim of \$23,334.50 in the matter of CSF Claim No. 2018-70 Deveny (Davis).

Discussion

Claimant Davis hired Ms. Deveny in November 2014 to represent her in obtaining damages for injuries sustained in two successive motor vehicle accidents, which occurred in February and July 2014. She agreed to a contingent fee agreement, in which Ms. Deveny was to receive one-third of settlements.

In January 2015, Ms. Deveny settled the claims for a total of \$35,000 (\$10,000 from Nationwide for the February 2014 accident and \$25,000 from State Farm for the July 2014 accident), without communicating with Ms. Davis regarding the settlement offer.

Between 2014 and 2018, Ms. Davis made multiple calls to Deveny and Deveny always stated she was still negotiating with insurers. In August 2018, Ms. Davis learned about the settlements by directly contacting Nationwide and Statewide. Ms. Davis asserts that the releases signed in both settlements were forged, and she never received any of the settlement proceeds.

As of April 2019, State Farm still asserted a \$10,037.20 PIP lien over the proceeds; Ms. Deveny was to resolve the PIP Lien with the \$25,000 payment from State Farm, but never did so.

Ms. Deveny resigned Form B, effective July 26, 2018, while numerous disciplinary cases were pending; at this time, numerous charges are pending in state and federal court alleging theft, criminal mistreatment, wire fraud and tax evasion.

At its May 2019 meeting, the Client Security Fund Committee reviewed Ms. Davis's claim and unanimously voted to recommend that the Board reimburse her for \$23,345 of her loss. Ms. Davis's claim would not ordinarily be eligible for reimbursement at this time, pursuant CSF Rule 2.1.6, because Ms. Deveny has not been found guilty of a crime and Ms. Davis has not obtained a civil judgment against her. The Committee, however, voted to waive the

requirement of CSF Rule 2.1.6 based on extreme hardship under CSF Rule 2.6, based upon her circumstances and the available evidence.

Staff recommends that the board approve the claim for \$23,334.50, which is 66.67% percent of the total \$35,000 settlement. This amount is slightly different from the CSF Committee's recommendation, but I believe the \$23,345 recommendation may have been the result of a computational error.